

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	pld/CON		✓		
20					
21					
22					
SUSPENSE		Date _____			

Remarks

cc: OGI

7c

Executive Secretary
6/26/84
Date

3637 (10-81)

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THE WHITE HOUSE
WASHINGTON

CABINET AFFAIRS STAFFING MEMORANDUM

Date: June 25, 1984 **Number:** 186899CA **Due By:** --
Subject: Update on Positive Economic Indicator Listing [prepared by OMB]

	Action	FYI		Action	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CEA	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	Mc Farlane	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	Svahn	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Gunn	<input type="checkbox"/>	<input type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input type="checkbox"/>
EPA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCFA/	<input type="checkbox"/>	<input type="checkbox"/>
OPM	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCHR/Simmons	<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCLP/Uhlmann	<input type="checkbox"/>	<input type="checkbox"/>
SBA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCMA/Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>
			CCNRE/	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Forwarded for your information.

Thanks.

RETURN TO:

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for Cabinet Affairs
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☐ **Tom Gibson**

Associate Director
Office of Cabinet Affairs
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☐ **Larry Herbolsheimer**

Good News About the Economy

Strong economic growth is continuing; the labor market has scored impressive gains; and inflation remains under control.

- o Real GNP in the first quarter of 1984 rose at a strong 9.7% annual rate, and Commerce currently estimates a 5.7% annual rate gain this quarter. Growth during this recovery is faster than in any upturn since 1950.
- o Industrial production has increased steadily over the past 18 months. The 21.0% gain from the November 1982 cyclical trough to May 1984 is greater than that of any recovery since 1950.
- o Reflecting the substantial production gains, capacity utilization in manufacturing reached 81.9% in May, up a large 13.1 percentage points from its November 1982 low.
- o The civilian unemployment rate has declined sharply in this recovery. The May rate of 7.5% is 3.2 percentage points lower than its December 1982 high. Civilian employment has grown 6.3 million over the past 17 months, and the number of unemployed persons has fallen by 3.4 million. The employment gains are widespread, covering various age, sex, and industry groups.
- o Inflation remains well under control despite the strong recovery. The May CPI was 4.2% higher than a year earlier, about a third the rate this Administration inherited. The producer price index for finished goods has performed even better than the CPI, increasing by only 2.6% over the past year.
- o The index of 12 leading indicators has risen in 18 of the last 19 months, suggesting further economic growth in the months ahead.
- o Reflecting strong real income growth, improved labor markets and the low rate of inflation, consumer optimism has soared. The University of Michigan Survey Research Center's Index of Consumer Sentiment was 98.1 in May, just below the first quarter average of 99.5, the highest level since 1966.
- o A good measure of consumer confidence in the economy is the willingness to spend. Real retail sales have surged at a 10% annual rate so far this year. Domestic auto sales in the first five months were at an 8.3 million unit annual rate, the fastest selling pace in 5 years. Sales in May have continued at an even faster pace, an 8.6 million unit rate, also the highest monthly sales in five years.
- o Business is confident in the future of the economy and, therefore, is adding to its capital facilities. Real spending for new plant and equipment has grown much more rapidly than in any recovery since 1950, helped by strong profits and more liberal depreciation allowances provided by the Administration's tax program. The surge in capital spending is likely to continue, as confirmed by the most recent Commerce Department survey of business investment plans for 1984. It shows a 14.8% increase in outlays after adjustment for inflation this year.

Office of Economic Policy
Office of Management and Budget
June 22, 1984